

## Remarks

Claims 138–186 are pending in this application. Claims 1–137 have been canceled. New claims 138–186 have been added to more specifically claim the invention. The new and amended claims are fully supported by the specification. No new matter has been added.

Support for the claims is found, for example, at paragraphs [0051]–[0059], [0098], [0116], [0143], [0153], [0162]–[0171], [0180]–[0181], [0189], [0192]–[0196], [0200]–[0207], [0221]–[0223], [0228], [0236], [0239], and [0241] of the specification.

Reconsideration of the rejections in the February 1, 2010 office action and allowance of the claims are respectfully requested.

The new claims are directed to statutory subject matter. The section 101 rejection should be withdrawn.

The new claims particularly point out and distinctly claim the subject matter which applicant regards as the invention. The section 112, second paragraph rejection should be withdrawn.

## Section 102 and 103 Rejections

The new claims are not anticipated by U.S. patent publication 2001/0042249 (Knepper). The new claims are not unpatentable in view of Knepper and U.S. patent 6,950,894 (Strietzel). The new claims are not unpatentable in view of Knepper further in view of U.S. patent 6,588,015 (Eyer). The new claims are not unpatentable in view of Knepper and U.S. patent 7,400,729 (Dunstan). Therefore, the new claims are allowable.

Claim 138 recites “for the first ordering, based on ad positioning rules, using a processor of the device, automatically generating a first sequencing of ad files to be played during playing of the media files in the first ordering.” Knepper does not show or suggest automatically generating a first sequencing of ad files. In figure 2, Knepper shows a server 207 and algorithm 209 running on that server. Knepper never describes using a processor of a client device to automatically generate a first sequencing of ad files to be played, since there is no need for Knepper to do this.

In the recited invention, sequencings of ad files can change when the user navigates a playlist. So, the user is permitted to flexibly navigate the playlist and media files, and ad files will still be placed. However, Knepper does not allow navigation within a preconfigured

grouping of one or more media and ad files; see page 307 of figure 4 where “no user intervention” is allowed. For Knepper, since the user cannot navigate within the preconfigured grouping, there is no need to regenerate an ad sequencing.

As can be appreciated, Knepper’s “no user intervention” during play of a preconfigured grouping of one or more media and ad files (represented by page 307 in figure 4) has many shortcomings. For example, when playing of a movie, the user can stop play of the movie to perhaps play a TV show instead. When the user returns to the movie, the user will have to start from the beginning and watch every ad again. The user is not permitted to skip within a movie. Knepper enforces the playing of ads at fixed locations within page 307.

In contrast, the present invention permits much greater flexibility in user interaction, while at the same time ensuring ads are played too. The invention allows user intervention—to perform navigation or change media files relative to ad positioning, or both—and once the user has done so, the device automatically generates a second sequencing of ad files. Therefore, with the present invention, the user is permitted much greater flexibility in viewing and playing of media files while ensuring the placement of ads. Knepper does not provide the features or benefits of the invention.

For at least these reasons, claim 138 is allowable. Claims 139–173 should also be allowable because they recite features clearly not shown or suggested by the prior art.

For example, claim 140 recites “wherein the user can alter the first ordering by navigating within the first media file.” As discussed above, Knepper does not allow a user to jump out-of-sequence from a first elapsed time in the media file to a second elapsed time in the media file. Knepper does not allow a user to jump from one chapter to another chapter within the media file. Knepper does not allow a user to skip from one media file in page 307 to another media file in the same page 307. For this additional reason, claim 140 is allowable.

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## Conclusion

For the above reasons, applicant believes all claims now pending in this application are in condition for allowance. Applicant respectfully requests that a timely Notice of Allowance be issued in this case. If the examiner believes a telephone conference would expedite prosecution of this application, please contact the signee.

Respectfully submitted,

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